

Message Text

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ACTION AF-10

INFO OCT-01 EUR-12 ISO-00 COME-00 EB-08 TRSE-00
CIAE-00 INR-07 NSAE-00 SS-15 FRB-03 CEA-01 AID-05
XMB-02 PRS-01 PA-01 SP-02 OMB-01 /069 W
-----000367 010212Z /66

R 311456Z AUG 77

FM AMEMBASSY LAGOS

TO SECSTATE WASHDC 3444

AMEMBASSY LONDON

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E.O. 116526 N/A

TAGS: EFIN, NI

SUBJECT: CHASE MANHATTAN WILL LEAD DOLLARS SYNDICATE FOR ONE
BILLION LOAN TO NIGERIA

REF: STATE 203699

1. CHASE MANHATTAN REQUESTS THAT FOLLOWING INFORMATION NOT BE
DISSEMINATED OUTSIDE USG AND SUGGESTS THAT ALL INQUIRIES
SHOULD BE DIRECTED TO CHASE MANHATTAN BANK LTD. LONDON.
2. ACCORDING TO GEOFFREY SCOTT, ACTING CHASE RESIDENT MANAGER,
CHASE MANHATTAN LTD. DEUTSCHE BANK AND MORGAN GUARANTEE HAVE
BEEN AWARDED CO-MANAGER ROLES IN EURODOLLAR LOAN SYNDICATION TO
FMG. CHASE WAS ALSO NAMED LOAN COORDINATOR; THIS IS DE FACTO
LEADER OF SYNDICATE. BANKS WERE FORMALLY NOTIFIED OF FMG DECISION
ON AUGUST 29.
3. BANKS REPORTEDLY OFFERED FMG LOAN PACKAGES FROM DOLLARS 700
MILLION TO DOLLARS 1,300 MILLION, BUT FMG HAS DEFINITELY OPTED
FOR INITIAL LOAN OF DOLLARS 1,000 MILLION. TERM OF LOAN IS
SEVEN YEARS AT ONE PERCENT OVER INTERBANK RATE. LOAN BEING MADE
DIRECTLY TO FMG; NO GUARANTEES PROVIDED EXCEPT GENERAL FMG PRO-
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MISE TO PAY. ALTHOUGH LOAN WILL BE USED TO FINANCE PROJECTS
LISTED UNDER NIGERIA'S THIRD NATIONAL DEVELOPMENT PLAN, NO
SPECIFIC PROJECTS (E.G., LNG PLANT) WERE DISCUSSED DURING LOAN
LOAN NEGOTIATIONS. FMG EXPECTS LOAN TO COVER FOREIGN LOAN RE-
QUIREMENTS THROUGH END NIGERIAN FY 77-78 (ENDING MARCH 31,
1978). LIKELY FMG WILL APPROACH BANKS FOR FURTHER LOANS BEFORE
THEN. TOTAL OF EURODOLLAR LOANS ANTICIPATED BY 1980 IS IN

DOLLARS 3,000 MILLION RANGE.

4. CHASE PLANS SYNDICATE WILL HAVE 61 MEMBERS WITH THE THREE CO-MANAGERS ASSUMING ABOUT DOLLARS 300 MILLION OF LOAN. OTHER BANKS ALSO EXPECTED TO TAKE SIZABLE PARTS OF LOAN. IN ADDITION, CHASE HOPES TO INCLUDE SEVERAL SMALL U.S. BANKS IN SYNDICATE.

5. COMMENT: CHASE WAS QUOTE ECSTATIC UNQUOTE OVER WINNING SYNDICATE LEADERSHIP AND IS CONFIDENT IT WILL HAVE A LEADERSHIP ROLE IN FUTURE EURODOLLAR LOANS TO NIGERIA. SINCE THIS LOAN AND LIKELY FUTURE LOANS NOT TIED TO ANY SPECIFIC PROJECTS AND UNSECURED, LOANS REPRESENTS SOLID VOTE OF CONFIDENCE BY BANKS IN NIGERIA'S FUTURE.

WYMAN

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Message Attributes

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Control Number: n/a
Copy: SINGLE
Sent Date: 31-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
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Disposition Reason:
Disposition Remarks:
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